



Total Talk



September / October 2016

The Super Home Movement

Launched in Christchurch the Superhome Movement is aiming to revolutionise the way Kiwis look at housing by helping people build warm, dry, healthy, energy-efficient, and environmentally sound homes.

The HomeStar rating guide rates a home from 1 to 10 stars based not only on the standard of insulation, heating efficiency, and use of renewable and recoverable energy but also on the environmental impact of the home. Environmental impact includes collecting and reusing rainwater, low toxic emission materials, minimal construction waste, allowing space for fruit trees and vegetable gardens and minimizing the impact on council storm water facilities.

New Zealand's first 10 star homestar home was designed by Bob Burnett, and is one of two demonstration homes in Church Square, in Christchurch. A 10 star rating is quite a stretch for most home owners and includes technologies such as grey water recycling, and waste water energy recovery systems, however the majority of people should be able to aim for an 8 star home.

The innovations in the homes include everything from solar panels on the roof, to New Zealand's first salt water battery backup, rainwater harvesting, an energy recovery shower waste and a ventilation system which provides high air quality indoors. A fully insulated foundation slab is a key component in keeping in the heat and reducing the home heating requirements to 40% of that of a typical home.

Amazingly 8-star homes are completely energy independent and no power bills are generated - an absolute boon with the ever increasing electricity prices.

If you are thinking of building you should seriously consider incorporating the Super Home ideas and technology and reap the benefits of renewable energy, warmth, health and comfort for your whole family.

Rental Yields Changing

Gross rental yield indicates the "return" on a property and is defined as the annual rent divided by the value of the property expressed as a percentage. For example a \$500,000 property that collects a rent of \$25,000 per year has a 5% rental yield. The rental yield is an important factor in property investment decisions as it indicates the level of cashflow available to cover costs such as interest, insurance, repairs and rates - all of which are proportional to the value of the property.

With mortgage interest rates at an all time low, investors have been able to accept lower rental yields which in turn have continued to decline across the country as property prices rise faster than rents.

The rental yields in Auckland now average between 3.4% and 4.4% compared to between 4.2% and 6.0% two years ago. Most other areas across the country are showing a similar downwards trend.

The following table shows the average yield for each of the main centres compared to 2 years ago.

	2016	2014
Auckland	3.7%	5.1%
Wellington	4.7%	5.9%
Christchurch	6.1%	6.2%
Dunedin	7.0%	7.5%

The likely strategy for investors is to chase returns in the other regions as the Auckland yields don't reflect the investment risk in that market.



1% Myths Exposed

Definition of 'Myth': "an invented story, idea, or concept"

Myth 1: "Total Realty just wants a quick sale"

THE TRUTH:

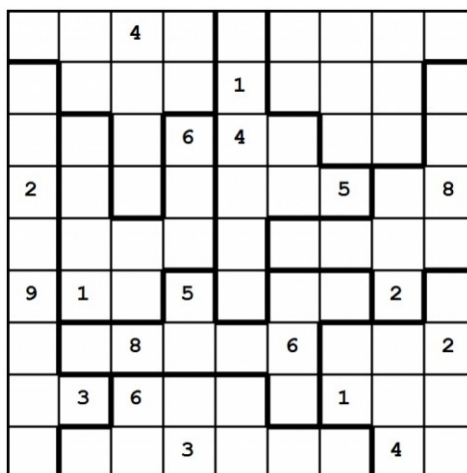
Total Realty does not want a quick sale, we want the best sale. Independent research has shown time and time again that the best price is achieved when the property is fresh to the market. This is because at this point the buyer pool is the greatest and this creates the fiercest competition amongst buyers

Brain Workout - Sudoku

Can you work out this "Jigsaw Sudoku"?

Fill in the numbers from 1 to 9 without repeating any in a row or column, or outlined jigsaw piece!

Good Luck.



Laughter is the best medicine



"When I said it might sell faster if you put in a new driveway, I meant if you repaved the old one."



"Thinking of selling? Call us today!"

Rachael Cone, AREINZ
Manager
ph: 027 6600 604



Stats - FROM THE - Street

Median Sale Prices

September 2016 (vs Sept 2015)

National (+6.3%)	\$515,000
Christchurch (+3.4%)	\$459,000
Rangiora (-5.5%)	\$442,000
Timaru (13.1%)	\$350,000
Nelson (+18.4%)	\$450,000
Richmond (+7.4%)	\$495,000
Dunedin (+6.4%)	\$311,000

What people are saying about us

"This is the second time we have sold with Total Realty, and there is no other company we would consider selling with! We love the great photos with great advertising packages for a very affordable price. Once again we are very happy with the great service! Both times we have had a multi offer after just one open home! Fantastic company with great people"

S & S Weaver

"I chose Total Realty for the fair and unextortionate commission rate. I am still reeling from the commission another company extracted from me last year for the sale of my previous property. Am absolutely delighted with the way Total Realty handled the entire sale process, which achieved a very good and fair sale price following one Open Home. I will recommend Total Realty to everyone I know, and unhesitatingly use the group again myself."

A & S Miller